

**FLOOD CONTROL ADVISORY BOARD
MINUTES**

February 26, 2003

Vice Chairman Shirley Long called the monthly meeting of the Flood Control Advisory Board to order at 2:00 p.m. on Wednesday, February 26, 2003.

Board Members Present: Shirley Long, Vice Chairman; Scott Ward, Secretary; Hemant Patel; Kent Cooper; Hasan Mushtaq (for Tom Callow), Ex Officio; Tom Sands (for Paul Cherrington), Ex Officio.

Board Members Absent: Mel Martin, Chairman; Paul Cherrington, Ex Officio; Tom Callow, Ex Officio.

Staff Members Present: Mike Ellegood, Chief Engineer and General Manager; Julie Lemmon, General Counsel; Dick Perreault, CIP/Policy Manager; Tim Phillips, Deputy Chief Engineer and General Manager; Russ Miracle, Division Manager, Planning and Project Management; Michael Alexander, Management Analyst; Sally Stewart, Public Information Officer; Melissa Lempke, Public Information Officer; Afshin Ahouraiyuan, Planning Project Manager; Greg Jones, Regional Area Manager; Todd Williams, Water Quality Branch Manager; Mike Wilson, Public Works Lands and Right-of-Way Division Manager; Linda Reinbold, Administrative Coordinator; Alicia Robertson, Clerk of the FCAB.

Guests Present: Jeannette Fish, MCFB; Ed Fritz, MCDOT; Scot Schlund, Stantec; Tim Morrison, HDR; Bryan Patterson, City of Chandler.

Mr. Ellegood introduced newer members of the Flood Control District Staff; Sally Steward, Public Information Officer and Melissa Lempke, Public Information Officer.

1) APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 22, 2003

It was moved by Mr. Cooper and seconded by Mr. Sands to approve the minutes as submitted. The motion carried unanimously.

2) APPROVAL OF THE MINUTES OF THE JOINT BOARD OF DIRECTORS AND FLOOD CONTROL ADVISORY BOARD MEETING OF DECEMBER 5, 2002

ACTION: It was moved by Mr. Patel and seconded by Mr. Ward to approve the minutes as submitted. The motion carried unanimously.

3) SPOOK HILL AREA DRAINAGE MASTER PLAN BASIN ACQUISITION; IGA

Afshin Ahouraiyan, Project Manager, presented IGA FCD 2002A013 for the Spook Hill Area Drainage Master Plan Basin Acquisition. The Spook Hill watershed extends from the Utery Mountains on the North and the Apache Trail on the East, to the Buckhorn-Mesa structures to the West and the South.

In 1987, the District prepared the original Spook Hill Area Drainage Master Study (ADMS) that identified flooding problems in the watershed and proposed solutions. Since the study, development in the watershed area has increased dramatically. In 1998, due to continued flooding problems in the watershed, Mesa requested that the District update the previous effort to reflect changes affecting the watershed area. The Spook Hill ADMS reevaluated the area, incorporated existing drainage structures, identified drainage problems, analyzed the extent of flooding and developed alternative drainage solutions.

The plan elements include detention basins, channels and storm drains to be constructed within the study area. The detention basins are critical to the success of the Plan and purchase of the land for these basin sites is an essential element in accomplishing the goals of the Plan. The IGA identifies Mesa as the responsible party to purchase the McDowell Site and the School Site, and the District as the responsible party to purchase the Ellsworth, Oak and Hawes sites. The cost of the purchase of these sites would be credited to each entity to be counted towards the final 50% cost share of the implementation of the Plan. The total cost of the land acquisition for the Ellsworth, Oak and Hawes sites by the District is estimated to be \$2,500,000. The total cost of the land acquisition for the School and McDowell sites by the City of Mesa is estimated to be \$3,035,000.

Discussion:

Ward: What type of value are you seeing for these basins?

Ahouraiyan: When we were working on the Plan we estimated the cost to be about \$85,000 per acre. I understand the City of Mesa paid \$120,000 for a 1.3 acre parcel. The prices are going up, we are in the process of getting appraisals done.

Ward: If you look at the locations of the basin, they are contiguous to arterials. I think what happens when you design flood control systems, the closer you get to our arterials the higher the cost because those locations are primarily commercial or highly residential. I know this area and there are few places where you can buy property, unless you buy houses and put a retention basin where a subdivision was. I would think we would want to act on this as quick as possible because those locations are going to continue to go up in value. The cities are looking for sales tax, revenue.

Ahouraiyan: Our goal is to move as soon as possible. Until the IGA gets approved we do not have the authority to purchase the parcels.

Sands: Is there any part of this within Pinal County?

Ahouraiyan: No, most of the area with drainage issues is within Maricopa County and the City of Mesa. The recommended plan falls west of Ellsworth all the way to Power Road. The South boundary is along the flood control structures and the north boundary is the mountains.

Sands: In the drainage area for your project, is there some Pinal County area?

Ahouraiyan: Most of the drainage comes from the mountains and spreads out.

Sands: ADOT is planning on building on Loop 202, within the Spook Hill Basin. Is that still current, and if so, how have you factored this in with what your basin needs might be for the future?

Ahouraiyan: We are in constant communications with ADOT. We have been told so far that ADOT cannot participate with anything outside of their EIS. We are still trying to negotiate with ADOT. Their concern is if they do anything outside of their approved EIS, they will have to go back to the federal government for approval. This would cause delays.

Sands: ADOT was discussing the use of some of the Spook Hill Basin for their freeway. Which would reduce the capacity of the existing Spook Hill Basin. They would have to elevate the freeway or do some different things to equalize that. When I saw Afshin's map with the upstream basins to the Spook Hill Basin, the thought crossed my mind that maybe with ADOT's help, the basins could be made a little larger for ADOT's purpose.

Ahouraiyan: We are constantly meeting with them about that issue and what they are going to be doing next to our facility. We are trying to figure out if there is a way of getting some of these elements in place with the ADOT project.

ACTION: It was moved by Mr. Patel and seconded by Mr. Sands to approve the staff recommendation. The motion carried unanimously.

4) 75th AVENUE STORM DRAIN AND DURANGO REGIONAL CONVEYANCE CHANNEL PROJECT RESOLUTION

Greg Jones, Regional Area Manager, presented the 75th Avenue Storm Drain and Durango Regional Conveyance Channel Project, Resolution Amendment FCD 2002R012A to Resolution FCD 2002R012. The amendment to the original resolution provides to the District the authority to acquire project rights-of-way. The 75th Avenue Storm Drain and Durango Regional Conveyance Channel Project will provide an interim regional outfall for the City of Phoenix, and is the first phase of the Durango Regional Conveyance Channel Project. As part of the initial negotiations, the City of Phoenix has requested that the District, take the lead on the rights-of-way acquisition. The City is currently designing the storm drain.

Discussion:

Ward: I support this project because of the location of the retention basins. You have done a very nice job of trying to get ahead of development. This is a hot area of growth. What is the average cost per acre?

Jones: We were using \$40,000 per acre when we originally put this project together. However, that is probably under current market value at this time.

Ward: You may remember my discussion with the Board of Directors. We have to continue on the mapping process of Maricopa County. Anytime we can get ahead of growth, it is going to save us money. The investment we are making today on topography and water shed protection is going to pay great dividends.

Ellegood: One of my primary focuses during my tenure here is to get ahead of development, in an effort to leverage the development community as they come in and put in their infrastructure they can put in some of ours. I appreciate your endorsement.

Ward: Can you share with us what will happen with the amenities in these basins, what is planned and how are they going to be maintained?

Jones: Currently, the plan contains some aesthetic features. We are working with the City of Phoenix to see what they want. It may be more of a hydraulic need at this time or within the basins, especially the northern basin. One of the concepts is to make it into a soccer field. It depends on the funding with the City of Phoenix. We will design it so that if the funds are not available now, in the future it can be modified to use as a recreational area.

ACTION: It was moved by Mr. Sands and seconded by Mr. Patel to approve the staff recommendation. The motion carried unanimously.

5) MARICOPA COUNTY STORMWATER PERMIT APPLICATION

Todd Williams, Water Quality Branch Manager, presented the Maricopa County Stormwater Permit Application. On December 5, 2002, the Arizona Department of Environmental Quality (ADEQ) water quality permits program expanded when ADEQ received primacy for the federal stormwater program. Each municipality or county has until March 10, 2003 to apply for coverage under the AZPDES permitting program. The intent is to establish a cost-effective, flexible approach for reducing any environmental harm by stormwater discharges from nonpoint sources currently unregulated.

After Maricopa County's permit application has been submitted to meet the deadline, the District will negotiate an expanded IGA with Maricopa County to clearly establish responsibilities and funding for the stormwater quality management program. The requirement for the stormwater permit is a new federal mandate, which, is likely to require increased expenditures by all Maricopa County departments affected by the stormwater management program established by this permit application.

Discussion:

Patel: How much has this cost us, for administration, etc., so far?

Ellegood: Our out of pocket cost are primarily for the consultant. A \$200,000 On-Call Consultant and Todd William's and Julie Lemmon's time, so far. I'm hoping to get an exact figure this afternoon.

Patel: How do we get reimbursed?

Ellegood: We enter into an IGA with the County as we would with any of our client cities. There is discussion in the County as to where this program belongs. We are not chartered to do this, but we have the expertise to do it. It is the County's permit, not the District's.

Lemmon: There is currently an IGA that has one line that says they can reimburse us for stormwater costs. This is in our generic agreement. We want to negotiate something more specific now that we know what the program looks like.

Cooper: What impact will be on private developers, those that have to get permits.

Williams: Each city is being forced to do this program. Each city has a component that will affect developers. For example, under the construction site program, this is an existing program where any construction sites five acres or greater require permit coverage. What has happened is that it has now dropped down to a one-acre threshold and will add additional permits over what may not have been there previously. That is separate from what the cities have to do. Each city will have to verify that the developer or contractor has implemented their "Best Management Practices" and Stormwater Pollution Prevention Plans so that they are not releasing stormwater pollution into the streets. It may mean you will have another set of regulations at the municipality level to deal with.

Cooper: I'm curious about what stormwater pollution is?

Williams: They are referring to rain, snow, and airborne particles that fall within the water and runs off the property. This program is a nonpoint source solution program that has been set up as a point source. When you think of a point source such as a wastewater treatment plant that is a very distinct single source point where you have one pipe that may discharge to the river. Under this program you are referring to nonpoint source pollution. This is run off from private residential property where people are fertilizing their lawns or oil and grease are dumped down

the storm drains, industrial properties and commercial development. It is a much broader picture that deals with pollution.

Cooper: Is this a baby 404 Program?

Williams: It is a separate program altogether.

Cooper: Are we going to need permission for drainage channels that we put through projects? The same flow still comes through an area we are just channelizing it. I guess I'm wondering what the benefit is to this.

Williams: It is a nationwide program, it's not just Arizona, this is being done across the Country. It has been in place for several years. The larger cities for example, Phoenix, Glendale, Mesa and Scottsdale, have already had to deal with this for at least five years now. This is a second round of permitting that is bringing everyone else into the program. By creating impervious areas it is potentially adding increasing pollutant loads into your water bodies. This program is trying to address water quality before any water physically leaves that site. When someone connects to a flood control structure, in the past we may have waived retention requirements because the channel was built to handle stormwater that was strictly from a quantity of water perspective. Now we have to deal with water quality, so part of what we are looking for is for anyone connecting to District facilities, we want to reduce our liability by requiring them to improve their water quality before they discharge to our structures. It is a very complex program.

Ward: If you have a project in Gilbert that affects the EMF, then the Manager of the Town of Gilbert will have to go to Maricopa County and show that the project leads into the EMF and that the water quality is of such a criteria that it will appease the Flood Control District and the Federal Government before it can be accepted into the EMF?

William: To a certain extent, that is correct. The Town of Gilbert is also listed as a permittee under this program. The way the program is set up is, if there is another permit in place there is an exemption. Because the Town of Gilbert has their permit, potentially it would have to be the State that would have to enforce against Gilbert. Part of what the Town of Gilbert will do is put markers on storm drains that say "Don't Dump --Drains to the EMF" or "Don't Dump-- Drains to the Storm Drain." That is part of their education program to hopefully limit these activities that we as a general public usually do.

Ward: I'd like Tim Phillips to explain how this procedure works?

Phillips: Let me use an example that Todd and I have talked about with respect to ADOT's San Tan Freeway going into the EMF. With the flood control channel that parallels the freeway and with the outfall going into the EMF, we have indicated to ADOT that they need to demonstrate, "Best Management Practices" to us before we give them the permit to discharge to the EMF. "Best Management Practices" can cover a multitude of different things. If they, for example, wash the freeways or do their street cleaning on a reoccurring basis and this is part of their permit that allows them to discharge, then as long as they are practicing "Best Management Practices"; we are okay. The obligation to us comes in being able to monitor that and know that they are indeed in line with their permit.

Williams: It is definitely going to be a learning experience. It is a one size fits all program. It may work well on the east coast, but for our arid climate some components just don't make sense. Reality is that, we have to deal with the regulations whether we like it or not. There is becoming an awareness from all the agencies and municipalities that we are going to have to deal with water quality. Now that everyone is going to be on the same level, I don't think it will be as difficult.

ACTION: No action required – for information and discussion only.

6) RECOMMENDATIONS FROM THE DECEMBER 5, 2002 JOINT FLOOD CONTROL ADVISORY BOARD AND BOARD OF DIRECTORS MEETING

Tim Phillips, Deputy Chief Engineer and General Manager presented the recommendations from the Joint Flood Control Advisory Board and Board of Directors Meeting. On December 5, 2002 the Flood Control Advisory Board and the Board of Directors met in a joint session. The combined Board discussions resulted in several action items requiring follow on action by District staff. The District staff has identified the following issues for action:

1. Development of Alternative Funding Mechanisms
 - a. Evaluation of utilization of impact fees.
 - b. Evaluation of the extent that revenues should be returned to specific jurisdictions versus countywide priorities.
 - c. Evaluations of bonding against pay-as-you go.
2. Cost Share Flexibility
 - a. Evaluation of credits to project partners for Operation & Maintenance
 - b. Evaluation of reducing cost share percentages against completion of fewer projects.
3. Work Force Overlap
 - a. Evaluation of measure to overlap position duties for pending retirement of senior staff.
4. Budget Flexibility
 - a. Request to maintain the FY 2004 tax rate at \$0.2119 and development and endorsement of the "Need" budget and budgets to meet current County targets.
5. Groundwater Recharge Opportunities
 - a. Evaluation of direct and indirect opportunities for District sponsored groundwater recharge.

Discussion:

Patel: The impression I got from the Board of Directors was that the Board was interested in learning what tools we need. I think we should still leave the impact fees on the table, asking them for that authority or maybe we can go to them for a levy for the impact fees.

Phillips: As I recall, the members of the Board of Directors asked the County Manager to look into that issue with respect to the flood control facilities.

Ward: I have worked with municipalities and developed impact fees; I think there has to be a way to get with Maricopa County to develop the fees. That would be a great tool. One of the primary things you look at before you develop anything in the desert is, do you retain stormwater?

Cooper: In many communities, in fact virtually all the communities, there are school impact fees. There is no statutory authority, in Surprise it is \$1000.00 per year on every house. You do not get your zoning unless you pay the fee. It is extortion. One of the avenues we should be exploring is a mechanism for people to call and voluntarily contribute to the solution of the problem when there is a large area to develop in the County or a municipality. If a sole developer had the opportunity to put money into a fund and that fund took care of what would be expensive for us to do independently, then we would gladly do it. Companies agree to this all the time. I don't think we have to worry as much about statutory authority as we do trying to find a mechanism that allows people who want to do it, and I think that at the zoning approval phase it would be the best time to apply the fees. Another feature we have in Arizona is our development agreement. There is a lot of opportunity for people to come together to solve larger problems in a voluntary way.

Phillips: Our first step is to see what we can legally leverage. There are certainly tools out there.

Tim Phillips moved to the second issue addressed, which is Cost Share. The District is looking into what opportunities are out there to see what can be done. District staff is going to look at information gather from a previous Cost Share Workshop to see what has changed since then and see if there are any opportunities that can be looked at again. It is recognized with the dwindling dollars from Cost Share partners, there needs to be something done. Internally, the District staff is looking at a committee to study Cost Share issues. With the experience of the FCAB and the District, it is possible something can be done to the policy so that will allow us to build more projects faster.

Tim recapped the Work Force Overlap issue. Will the County procedures processes allow us to double up on key positions, so that the person leaving has some overlap with the person coming in? There is no written rule that says you cannot double slot. The question comes down to money. The informal, unofficial rule is that two people in a position is not a desirable idea. Positions will be looked at on a case-by-case basis.

The Budget Flexibility issue is what you have been hearing for the last few months. The District is required by ARS § 48-3620 to annually certify to the County Board of Supervisors the amount of tax levy on taxable real property that the District considers necessary to: 1) pay expenses to administer the District's operations, 2) maintain and operate the flood control system, and 3) perform regulatory functions and any of the objects and purposes of common benefit. This year our budget guidance from the County's Office of Management and Budget (OMB) was to prepare a budget keeping the operating cost the same as the previous year. In addition we were directed to prepare two additional budgets, one showing a 5% reduction in our operating budget and one showing a 10% reduction. The District has requested the Fiscal Year 2004 tax rate remain at \$0.2119 as well as asking for approval of the "Need" budget from the Board of Supervisors.

Groundwater Recharge Opportunities is the next issue. The District has authorization by resolution to be involved in recharge activities. The Watercourse Master Plans (WCMP'S) have a component in them that talk about recharge being an inherent part of the study effort and the implementation. The District has been involved in several recharge projects. The City of Surprise pays us a fee for their recharge on our land. The District has 2 of 3 components needed to recharge. We have the land and some conveyance capabilities but what we really don't have is the water component. The District owns a lot of property that is next to facilities that could be recharged. Our greatest return on investment is to take the land and lease it to someone that will recharge and burden them with all design, construction, operation and maintenance. We are currently working with the City of Mesa to look at the EMF as a recharge facility. They have a need to discharge water that they are now discharging into the Salt River bottom; they want to take it back further to the east, put it into a recharge project that is built into the EMF. We have given the City of Mesa the list of institutional issues that would need to be resolved, such as type of water, vector control, outfall, etc. They are working through the list and will provide us with a site plan.

Cooper: What Shirley brought up at the Joint Board Meeting was not looking at the traditional things for recharge, CAP water in particular. When we have a major storm like we have been having, a lot of water gets sent down stream. We pay taxes to them (CAWCD) and they are supposed to be improving the ground water table. It seems like there is a lot of water that escapes the valley. If we could have the CAWCD paying for ways of trapping the water, which would be a new source of ground water for them. This organization does not need the credits, but they (CAWCD) do. They are under law to provide new resources. That is what intrigued me about Ms. Long's comments at the Joint Board Meeting.

Phillips: I will talk with Cliff Neil about that, we know there are some implications of doing that kind of recharge. Fundamentally, we collect water behind our facilities and we get it out of the facilities for many reasons. The best bet is to contain and hold the water until it infiltrates. Legally, who has the rights to the water captured behind the facility? There are probably more questions than there are answers at this point.

Ellegood: Just prior to the meeting, Mr. Patel provided me with an extract from an article he had found in a journal reflecting how one community in Southern California uses stormwater capturing to recharge the aquifer. Mr. Patel provided copies for everyone, and I would like to share these with you, and ask Mr. Patel if he'd like to comment on the article.

Patel: I liked the article because of the recharge aspects and one community was going out to various construction sites inspecting for violations. The fines were used as a way of generating the revenue for the continued enforcement. This brings to mind some of our projects, were we have had to go back and spend millions of dollars to clean up problems that were normal maintenance. I think with the drought it is going to become more and more of an issue. Every meeting I go to the drought is what folks are talking about. Sooner or later, there is going to have to be some kind of public policy in the State about water. We don't have one and that is why we have the problems we have. I was shocked to come to the understanding that they cannot fill up the reservoirs because of wildlife issues. Because of the business that we are in, as a District, we need to show some interest and keep this topic quiet amongst ourselves and keep our ears to the ground so that we can get a seat at the table when that policy gets developed. We may not own the water but we certainly collect it.

Ellegood: I did have the opportunity along with Julie Lemmon to visit with Senator Herb Guenther our new Director of Water Resources. Director Guenther is aware of all of these issues and I think provides us with an opportunity to collaborate to develop this policy. I think this is something we should start doing. I can see changes in policy, technology and other kinds of things in process. I appreciate the article and I did find it interesting.

Long: I think this is a marvelous way of approaching it in a leadership role. Certainly, my comments at the Joint Board Meeting were not made to give the District more responsibility. It was made to make sure that we understood our role and move forward with it. I think we are in a longer drought cycle than just a few years. Anything we can do as opposed to letting it run south, southwest and past us, lets do something to recharge the dry wells.

Ward: I think everyone has been following what is happening with the Colorado River water, in California. They have basically been told they cannot take anymore than their allotment. We take water for granted here.

Sands: The water laws in Arizona are based on something called The Doctrine of Prior Appropriation, basically what it means is, first in use, is first in right. How it would apply to the water here is if anyone were to capture stormwater that would have otherwise gone downstream and recharge someone else's aquifers, there may be a challenge by those people that are downstream. They would claim that, "You are capturing water that would have otherwise gone into my aquifer that I would have pumped out, so now rather than pumping at 100 feet, I'm pumping at 120 feet, because you captured my water". It is not all cut and dried, I'm not sure that there is that much new water in Arizona, especially in the Valley. I certainly support the District, and Shirley's suggestion should be looked at. There may be some water laws that need to be addressed.

Patel: Is the plan to include the FCAB in the workshop with the recommendations or to have us involved in the development of the recommendations?

Phillips: My thought was, that we as staff do the legwork and assemble the information. Then solicit the FCAB's input in a workshop.

Hemant: Should we schedule some special sessions so that we can get them on our calendar?

Ellegood: We need to do some more homework. The legal issues are intriguing and somewhat scary.

Lemmon: Yes, we have looked at it in the past and there are a lot of legal issues. Whether you catch the water or let it go in the ground you have to get a permit. Every time there is a recharge application, most of the agricultural community would show up to protest. Not that this is impossible, there are just a lot of issues to look at.

Phillips: Most of these issues have some legal, social and institutional types of implications that we need to collect before we meet with the FCAB.

Sands: Although I caution on water rights, there are those entities that have the water right that would be interested in recharging that water right on our facilities. I know for instance the City of Glendale has some water rights and they need a way of capturing the water. If the District has some property downstream that would be of interest to them, they would bring their water right.

Phillips: Those that have a CAP allocation that have been paying a capital charge, potentially to offset the capital charge would just as soon get credits for it. If others can bring water, and we have the land, then there is an opportunity for us to get a return on our investment.

COMMENT FROM THE PUBLIC

Bryan Patterson, Public Works Director, City of Chandler

Mr. Patterson thanked the FCAB for the past partnerships with the City of Chandler. Mr. Patterson commented on issues brought up from the Joint Board of Directors and Flood Control Advisory Board Meeting in December 2002. The issues closely parallel some of the things the City of Chandler has been talking about with the Board of Directors for a few years. Three of the five are very important to the City of Chandler. 1) Alternative Funding Mechanisms, we do charge impact fees for a variety of city services. We do not at this time charge for storm drainage; we are looking at that, however. We would support working with the County on that issue. 2) Cost Share Flexibility, the City of Chandler has a hard time with some of our cost share requirements. It is difficult to go the City Council when they know we have been paying in year after year in taxes, then a project is ready to go that will recover some of those contributions that were made, and the City is told, they must come up with a match to get the money back. Giving credit for O&M would be supported by the City of Chandler. Right-of-way dedications are another thing the City can do during the zoning process. 3) Groundwater Recharge opportunities are something important to the Valley, especially the cities. The City of Chandler is spending millions of dollars every year developing the well capacity. The problem is that the ground water cannot be pumped unless you have credits built up to pump. It would be helpful if it were figured out how to get credits where that stormwater is now flowing downstream.

Discussion:

Patel: I'm wondering if when we do these workshops if we could involve some people from various cities to get their perspective as well.

Ward: I live in the City of Chandler, and I'd like to compliment Mr. Patterson, some time ago a developer was encroaching on a right-of-way. The City took responsibility to re-develop and worked with the developer in regards to sharing stormwater needs within the floodway right-of-way. The developer moaned for a while, but the project is being built now. This is a prime example of teamwork.

Patterson: Thank you for those comments, there are things that we as a City can do and you as a County cannot. This is one of those examples.

ACTION: No action required – for information and discussion only.

7) RESULTS AND STATUS OF THE 2ND QUARTER FISCAL YEAR 2003 BUDGET

Michael Alexander, Management Analyst, presented the Results and Status of the 2nd Quarter FY 2003 Budget. The Financial Close for the Second Quarter of Fiscal Year 2003 occurred on January 6, 2003. Mike presented the financial status of the District's actual financial performance through the first two quarters in relation to the Fiscal Year Budget. Revenue figures are slightly behind our year to date numbers, it is anticipated that we will meet our revenue figures in total for the Fiscal Year.

Discussion:

Patel: About 3 weeks ago, we heard that the County found some money. Will any of that money make it to the District?

Ellegood: In my remarks I will talk more about the annual budget crisis.

ACTION: No action required – for information and discussion only.

7a) ADDENDUM STATUS OF FLOOD CONTROL DISTRICT PROPERTY DISPOSITIONS

Mike Wilson, Public Works Lands and Right-of-Way Division Manager presented the Status of Flood Control District Property Dispositions. Mike gave each FCAB Member a packet containing information on a Public Auction to be held on March 18th, 2003, at 2:00 p.m. at the District. The approximately 200 acres, is located on the southwest corner 107th Avenue and Camelback Road in the City of Phoenix.

Discussion:

Ward: What did the District pay for the land?

Lemmon: We paid approximately \$3 million dollars. We purchased the land at an auction.

Ward: Was that for 200 acres?

Perreault: The \$3 million was for the whole site, it was roughly 500 acres. We originally just wanted to buy a strip to build the levee, but because of foreclosure, the RTC were offering the whole site. We did an economic analysis and decided it was a good deal. The Board of Directors approved the funds and we bought it.

Ward: I approve.

Ellegood: I have asked Mr. Wilson to give us a report each month.

Subsequent to the FCAB meeting, Mike Wilson reported that approximately 480 acres were acquired in 1992, from the RTC for approximately \$4.24 million.

8) COMMENTS FROM THE CHIEF ENGINEER AND GENERAL MANAGER

Mr. Ellegood began by sharing information from the last two storms we have recently had. Mr. Ellegood showed pictures of the street flooding from Bullard Wash and the Olive Avenue Bridge where a failure occurred due to a wash out in an unarmored area.

Mr. Ellegood continued with information on the budget crisis. It is going to be a tough budget year for the County and for the State of Arizona. Whether the Board of Supervisors will approve the proposed District budget, we still do not know.

Mr. Ellegood informed the Board of two major items of legislation affecting the District that we have dealt with this past month. One was an issue on governance of the District. Representative John Nelson acting on a request of the City of Phoenix and City of Tucson introduced legislation to allow cities to withdraw from flood control districts. A striker was submitted which would put the District under MAG (Maricopa Association of Governments), which would not be helpful to the District. For now the bill has been dropped, it has been indicated that there is an issue of who should govern flood control districts. John will be setting up a committee sometime in the summer of 2003. There are positive and negative benefits to us if we remain part of the County and there are positive and negative benefits to us having a separate Board. One issue Mr. Ellegood would like to resolve once and for all is this perennial issue of allowing Cities to “opt out”. Every year, someone introduces this kind of legislation and it cost the District thousands of dollars in lobbying, expert witness cost and aggravation.

The 2nd issue of legislation going on allows people to establish recreation areas along water ways. This is a joint effort, sponsored by the Rock Product Association in an effort to provide a mechanism for them to implement the West Valley Recreation Corridor. The legislation is not without certain concerns. The District is working with the Rock Products Association to try and resolve the concerns.

Discussion:

Patel: Where are we at with the committee that John Nelson will be setting up?

Ellegood: John is a little busy with the current legislation and the budget issues. I’m going to write him a letter and thank him for his insight thought.

Patel: It would be great for us to weigh in on that session.

Cooper: John still has a long way to go to get to a study session.

Ward: I applaud you for sending him a letter. I would send him pictures of conditions over the last 30 days and a map showing the growth areas in Maricopa County. One of the reasons I sat on this Board, that Supervisor Brock asked me to sit on, was because of the need for Maricopa County to control floodwater and drainage from a county base standpoint.

Ellegood: I’ve known Representative Nelson for a number of years. I’ve worked with him and I respect him. He recognizes the need for flood control districts. He does take issue with certain activities that the Board of Supervisors have done to the District acting as our Board of Directors.

Ward: Is this a political issue?

Ellegood: It is a cost share issue. John was a Vice Mayor for the City of Phoenix for many years. He is strongly opposed to any form of cost share; he believes it is double taxation.

ACTION: No action required – for information and discussion only.

Joe Munoz, Public Information Manager, added comments about the recent media coverage due to the flooding. Joe informed the Board of 20 minutes of video from various news stations of the flooding in Maricopa County. The District is compiling all the coverage onto one tape. A Flood Drill will begin at 3:00 a.m. on Thursday, February 27th. Channel 15 will be giving reports about the Drill and the District every 30 minutes beginning at 5:00 a.m.

9) **SUMMARY OF RECENT ACTIONS**

Actions of the Board of Supervisors were included in the FCAB packet.

10) OTHER BUSINESS AND COMMENTS FROM THE PUBLIC

There was no other business or comments from the public.

The meeting was adjourned at 4:15 p.m. by general consent.

Scott Ward
Secretary of the Board

Alicia Robertson
Clerk of the Board